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Turkey

Grain and Feed

Import Ban on Paddy Rice

2001

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Report Highlights:

The Ministry of Agriculture stopped imports of paddy rice at the end of August, although some milled rice imports continue. Paddy rice shipments from the United States and Australia have been affected. Milled rice is mostly imported from Egypt. This ban is expected to continue for at least three months.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Ankara [TU1], TU

The Ministry of Agriculture and Rural Affairs (MARA) stopped imports of paddy rice at the end of August, although they have not yet issued an official notification of the change. Imports of milled rice, however, are being allowed to continue under previously issued control certificates.

Industry sources previously informed us that MARA Protection and Control officials were issuing control certificates for paddy rice which were only valid through August. On the other hand, import licences for milled rice were valid through the end of the year.

During recent United States-Turkey Trade and Investment Framework Agreement meetings Turkish Government officials (MARA and Under Secretariat of Trade) officials recognized that Turkey needs rice imports to supplement domestic production and meet consumer demand. They reiterated that the decision to stop paddy imports was based on concerns that imported paddy could be represented as local production and re-sold to the Turkish Grain Board (TMO). The officials also voiced concerns about depressing prices around harvest time.

The GOT demonstrated similar preferences for milled rice imports last year. Official GOT import data for the September-May period show milled rice increases from 79,029 in 1999/2000 to 116,072 MT in 2000/2001, with Egypt gaining the bulk of market share. Within the same period, paddy rice imports decreased from 189,720 to 184,094 MT. (U.S. imports increased marginally from 127,278 to 130,292 MT)

While Egyptian rice imports benefit from proximity which can lead to lower shipping costs and ease of smaller shipments, no one doubts that paddy rice imports would have been substantially higher if MARA permit policies had been different. During the last few years, many rice producers increased their capacity to mill imported paddy. Caught in a squeeze between an economic recession, devaluation of the lira, and MARA policies, several of these companies are now on the brink of bankruptcy.

The restrictions on paddy imports are expected to continue for at least three months.